GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2532
ANSWERED ON:17.03.2017
Sale of CPSEs
Adhikari Shri Sisir Kumar

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has any proposal to sell the stake of the State-run companies of Central Public Sector Enterprises (CPSEs) during the next two fiscal years and if so, the details thereof;
(b) whether the Government has raised funds by selling of the stake of CPSEs;
(c) if so, the details thereof and the manner in which the funds have been utilized alongwith the proposal for the next sale;
(d) whether the fund is managed by private firms; and
(e) the present status of stake in the Navaratna CPSEs?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI ARJUN RAM MEGHWAL)

(a): Disinvestment in Central Public Sector Enterprises (CPSEs) is undertaken as per the extant disinvestment policy of the Government on 'minority stake sale' and 'strategic disinvestment'.

As a part of the strategy to keep shares readily available for transaction to take advantage of market conditions without any loss of time, the Government has identified some CPSEs for minority stake sale in sectors like mineral & metal, oil, capital goods as well as some mid-size and small stocks.

Government has given 'in-principle' approval for strategic disinvestment of some CPSEs, Units of CPSEs and subsidiaries of CPSEs. However, after completion of the process, specific approval of Government will be sought in each case.

(b) to (d): During the current financial year 2016-17, the Government has realized Rs.39,368.69 crore (as on 28th February, 2017) as disinvestment receipts.

The receipts from the disinvestment are credited in the National Investment Fund (NIF), a 'public account' and are used for the following approved purposes:

(i) Subscribing to shares being issued by the CPSEs including PSBs and Public Sector Insurance Companies, on rights basis so as to ensure 51% ownership of the Government in those CPSEs/PSBs/Insurance Companies, is not diluted;

(ii) Preference allotment of shares of the CPSE to promoters as per SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 so that Government shareholding does not go down below 51% in all cases where the CPSE is going to raise fresh equity to meet its Capex programme;

(iii) Recapitalization of public sector banks and public sector insurance companies;

(iv) Investment by Government in RRBs/IIFCL/NABARD/Exim Bank;

(v) Equity infusion in various Metro projects;

(vi) Investment in Bhartiya Nabhikiya Vidyut Nigam Limited and Uranium Corporation of India Ltd;

(vii) Investment in Indian Railways towards capital expenditure.

(e): The stake of the Government in the Navratna CPSEs during 2015-16 is as follows:

(Rs. In Lakh)

S. No.	CPSEs	Central Govt. participation in Equity	Total paid-up Capital
1	Bharat Electronics Ltd.	18004	24000
2	Bharat Petroleum Corpn. Ltd.	39720	72308
3	Container Corporation of India Ltd.	11073	19497
4	Engineers India Ltd.	10002	16847
5	Hindustan Aeronautics Ltd.	36150	36150
6	Hindustan Petroleum Corpn. Ltd.	17308	33901
7	Mahanagar Telephone Nigam Ltd.	35438	63000
8	National Aluminium Company Ltd.	104289	128862

9 NBCC (India) Ltd. 10800 12000
10 NLC India Ltd. 150994 167771
11 NMDC Ltd. 31719 39647
12 Oil India Ltd. 40662 60114
13 Power Finance Corporation Ltd. 89492 132004
14 Power Grid Corporation of India Ltd. 302884 523159
15 Rashtriya Ispat Nigam Ltd. 488985 488985
16 Rural Electrification Corpn. Ltd. 59877 98746
17 Shipping Corporation of India Ltd. 29694 46580
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